

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE:	
REVISIONS AND UPDATES TO PIPELINE AND ELECTRIC LINE RULES [199 IAC 10, 11,13, 15, 19, 20, and 25]	DOCKET NO. RMU-04-6

ORDER COMMENCING RULE MAKING

(Issued July 30, 2004)

Pursuant to Iowa Code §§ 17A.4, 476.1, 476.2, 476.27, 476.41, 478.1, 478.7, 478.18 – 478.20, 479.1, 479.5, 479.12, 479.17, 479B.1, 479B.5, and 479B.9, the Utilities Board (Board) proposes to adopt the rules attached hereto and incorporated herein by reference. These rules amend 199 IAC 10, 11, 13, 15, 19, 20, and 25. The proposed amendments generally update references to other technical standards, incorporate new information, and clarify existing rules.

Three of the proposed changes reflect the impact of the Board's recent rules regarding public utility crossings of railroad rights-of-way adopted in Docket No. RMU-02-7, Crossing of Railroad Rights-of-Way. Specifically, new subrules 10.1(4), 11.1(8), and 13.1(4) are proposed to recognize that the right to install a utility crossing of a railroad right of way can be obtained pursuant to Iowa Code § 476.27 and 199 IAC 42.

Many of the other proposed changes are updates to technical standards and federal regulations that are incorporated in the Board's rules by reference, to reflect

new editions of standards and new regulations that have been released or adopted or past standards that have been withdrawn or replaced. Particularly important is updated references to federal pipeline safety standards in 49 CFR Part 192. Specifically, the Board proposes to amend subrule 10.12(1), rule 10.17, paragraph 19.2(5)"g," subrules 19.5(2), 19.6(3), 19.8(3), 20.5(2), 25.2(2), paragraph 25.2(5)"b," and subrule 25.3(5) to reflect the most current standards and regulations in effect and to add cross references to the new Board rules on railroad crossings. Other proposals are intended to clarify the existing rules.

The proposed amendment to subrule 10.14(2) corrects a minor inconsistency with paragraph 10.2(1)"e," while the proposed amendment to subrule 13.14(2) corrects a similar inconsistency with paragraph 13.2(1)"e."

The proposed amendments to paragraphs 10.2(1)"f" and 13.2(1)"f" would revise the permit filing requirements. Iowa Code §§ 479.12 and 479B.9 requiring a finding of public convenience and necessity before the Board can grant a pipeline permit or a hazardous liquid pipeline permit, respectively. The finding is typically based on the petitioner's testimony at hearing. However, the rules governing permit renewals do not require a hearing in all cases, leaving the contents of the petition as the primary source of information that can be used to support a finding of public convenience and necessity. The record in these cases would be improved if the petitioner is required to include more information in the petition and its exhibits. The proposed amendments accomplish this objective by requiring petitioners to include a

statement of the purpose of the project and a description of how the services rendered by the pipeline will promote the public convenience and necessity and, for an existing pipeline, the year of original construction, and a description of any amendments or significant modifications since the last permit action. Also, requiring the petitioner to summarize past changes to existing pipelines will add continuity to the record and simplify staff review.

In a prior rule making proceeding, Re: Gas Pipeline and Storage Rule Revisions, Docket No. Rmu-03-5, "Order Adopting Amendments" (issued May 29, 2003), the Board noted a potential inconsistency between rule 10.16, which currently requires a permit for any pipeline operated at a pressure of "150 pounds per square inch gage (psig) or more," and rule 10.3, which requires an informational meeting for lines that will operate at "over 150 pounds psig." Subsequent review has revealed other inconsistencies between rule 10.16 and other rules and statutes that use "over 150 psig" in various contexts. The proposed amendment to rule 10.16 resolves these inconsistencies by amending the rule to clarify that a permit is required for any pipeline which will be operated at a pressure of over 150 pounds psig.

The proposed amendment to subparagraph 11.2(1)"d"(2) adds roads to the list of preferred routes in the description of what must be included in one of the exhibits attached to a petition for an electric franchise. This amendment reflects a change made to Iowa Code § 478.18 in 2002.

The proposed amendment to subrule 11.3(1) would require three copies of specified petitions and exhibits to be filed with the board, correcting an inconsistency with 199 IAC 1.8(4)"d."

The proposed amendment to subrule 15.10(1) adds a new paragraph establishing an industry standard on interconnecting sources of power with electric power systems.

The proposed amendment to rule 19.8 adds a new subrule establishing a standard of 12 inches of clearance between buried gas and electric lines. The proposed subrule applies to both plastic and metal pipelines. It is intended to promote public safety by minimizing the risk that gas will leak from a natural gas service line that has been damaged by overheating and arcing at a fault in an underground electric service. The Board proposes this amendment in response to a recommendation from the National Transportation Safety Board (NTSB). The proposed rule is consistent with the NTSB recommendation and would create consistency between the Board's installation standards for gas and electric lines.

The proposed amendment to subrule 20.1(3) changes the voltage levels used in the definition of "transmission line" to make the definition consistent with the term as used elsewhere in law, Board rules, and industry practice.

IT IS THEREFORE ORDERED:

1. A rule making proceeding identified as Docket No. RMU-04-6 is commenced for the purpose of receiving comments on the proposed rules in the notice attached hereto and incorporated herein by reference in this order.

2. The Executive Secretary is directed to submit for publication in the Iowa Administrative Bulletin a notice in the form attached to and incorporated by reference in this order.

UTILITIES BOARD

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 30th day of July, 2004.

UTILITIES DIVISION [199]

Notice of Intended Action

Pursuant to Iowa Code sections 17A.4, 476.1, 476.2, 476.27, 476.41, 478.1, 478.7, 478.18 – 478.20, 479.1, 479.5, 479.12, 479.17, 479B.1, 479B.5, and 479B.9, the Utilities Board (Board) gives notice that on July 30, 2004, the Board issued an order in Docket No. RMU-04-6, In re: Revisions and Updates to Pipeline and Electric Line Franchise Rules [199 IAC Chapters 10, 11, 13, 15, 19, 20, and 25], "Order Commencing Rule Making."

The proposed amendments update several references to technical standards, make minor revisions to reflect the Board's new rules regarding public utility crossings of railroad rights-of-way, correct inconsistencies in the current rules, and reflect new information or requirements, including one statutory change. The order commencing rule making contains a more thorough discussion of the background and reasons for this proposed rule making. The order is available on the Board's Web site at www.state.ia.us/iub.

Pursuant to Iowa Code sections 17A.4(1)"a" and "b," any interested person may file a written statement of position pertaining to the proposed amendments. The statement must be filed on or before September 7, 2004, by filing an original and ten copies in a form substantially complying with 199 IAC 2.2(2). All written statements should clearly state the author's name and address and should make specific

reference to this docket. All communications should be directed to the Executive Secretary, Utilities Board, 350 Maple Street, Des Moines, Iowa 50319-0069.

A public hearing to present oral comments on the proposed amendments will be held at 9 a.m. on September 14, 2004, in the Board's hearing room at the address listed above. Persons with disabilities who require assistive services or devices to observe or participate should contact the Utilities Board at (515)281-5256 in advance of the scheduled date to request that appropriate arrangements be made.

These amendments are intended to implement Iowa Code sections 17A.4, 476.1, 476.2, 476.27, 476.41, 478.1, 478.7, 478.18 – 478.20, 479.1, 479.5, 479.12, 479.17, 479B.1, 479B.5, and 479B.9. The following amendments are proposed.

Item 1. Amend rule 199 IAC 10.1 by adding a **new** subrule (4) as follows:

(4) *Railroad crossings*. Where these rules call for the consent or other showing of right from a railroad for a railroad crossing, the filing of an affidavit by a petitioner for pipeline permit stating that proper application for approval of railroad crossing has been made and a one-time crossing fee paid as provided for in rule 199—42.3, and that 35 days have passed since mailing of the application and payment with no claim of special circumstance or objection from the railroad, the affidavit will be accepted as a showing of consent for the crossing.

Item 2. Amend paragraph 199 IAC 10.2(1)"f" as follows:

f. Exhibit F. This exhibit shall contain the following:

(1) A statement of the purpose of the project and a description of how the services rendered by the pipeline will promote the public convenience and necessity.

(2) A general statement covering each of the following topics: the nature of the lands, waters, and public or private facilities to be crossed; the possible use of alternative routes; the relationship of the proposed pipeline to present and future land use and zoning ordinances; and the inconvenience or undue injury which may result to property owners as a result of the proposed project.

(3) For an existing pipeline, the year of original construction, and a description of any amendments or significant modifications since the last permit action.

Item 3. Amend subrule 199 IAC 10.12(1) and add a new paragraph "f" as follows:

(1) All pipelines, underground storage facilities, and equipment used in connection therewith shall be designed, constructed, operated, and maintained in accordance with the following standards:

a. 49 CFR Part 191, "Transportation of Natural and Other Gas by Pipeline; Annual Reports, Incident Reports, and Safety-Related Condition Reports," as amended through ~~March 13, 2002~~ November 17, 2004.

b. 49 CFR Part 192, "Transportation of Natural and Other Gas by Pipeline; Minimum Federal Safety Standards," as amended through ~~March 13, 2002~~ November 17, 2004.

c. 49 CFR Part 199, "Drug and Alcohol Testing," as amended through ~~March 13, 2002~~ November 17, 2004.

d. ASME B31.8 - 2003, "Gas Transmission and Distribution Piping Systems."

e. 199 IAC 9, "Restoration of Agricultural Lands During and After Pipeline Construction."

f. At railroad crossings, 199 IAC Section 42.7, "Engineering Standards for Pipelines."

Conflicts between the standards established in paragraphs 10.12(1)"a" through "e" "f" or between the requirements of rule 199—10.12(479) and other requirements which are shown to exist by appropriate written documentation filed with the board shall be resolved by the board.

Item 4. Amend subrule 199 IAC 10.14(2) as follows:

(2) Pipeline routes which include crossings of highway or railroad right-of-way at other than an approximate right angle, or longitudinally on such right-of-way, ~~will not be granted a pipeline permit by the board~~ shall not be constructed unless a showing of consent by the appropriate authority ~~is~~ has been provided by the petitioner ~~(ref. 199—10.2(1)"e")~~ as required in paragraph 10.2(1)"e".

Item 5. Amend rule 199 IAC 10.16 as follows:

199—10.16(479) When a permit is required. A pipeline permit shall be required for any pipeline which will be operated at a pressure of over 150 pounds per square inch gage ~~or more~~, or which, regardless of operating pressure, is a transmission line as defined in ASME B31.8 or 49 CFR Part 192. Questions on whether a pipeline requires a permit are to be resolved by the board.

Item 6. Amend rule 199 IAC 10.17 as follows:

199—10.17(479) Accidents and incidents. Any pipeline incident or accident which is reportable to the U.S. Department of Transportation under 49 CFR Part 191 as amended through ~~March 13, 2002~~ November 17, 2004, shall also be reported to the board, except that the minimum economic threshold of damage required for

reporting to the board is \$15,000. Duplicate copies of any written accident reports and safety-related condition reports submitted to the U.S. Department of Transportation shall be provided to the board.

Item 7. Amend rule 199 IAC 11.1 by adding a **new** subrule (8) as follows:

(8) *Railroad crossings.* Where a petition for temporary construction permit is made as provided for in Iowa Code section 478.31, the filing of an affidavit by the petitioner stating that proper application for approval of railroad crossing has been made and a one-time crossing fee paid as provided for in rule 199—42.3 and that 35 days have passed since mailing of the application and payment with no claim of special circumstance or objection from the railroad, the affidavit will be accepted as a showing of railroad approval for the crossing.

Item 8. Amend subparagraph 199 IAC 11.2(1)"d"(2) as follows:

d. Exhibit D. The exhibit shall consist of a written text containing the following:

(2) If the route or any portion thereof is not near and parallel to roads, railroad right-of-way, or along division lines of the lands, according to government surveys, a showing of why such parallel routing is not practicable or reasonable.

Item 9. Amend subrule 199 IAC 11.3(1) as follows:

(1) *Forms.* The following forms are available from the ~~utilities~~ board and the appropriate form shall be used when filing any petition. An original and ~~one copy~~ three copies of the petition and exhibits shall be filed.

a.-f. No change.

Item 10. Amend rule 199 IAC 13.1 by adding a **new** subrule (4) as follows:

(4) *Railroad crossings.* Where these rules call for the consent or other showing of right from a railroad for a railroad crossing, the filing of an affidavit by a petitioner for pipeline permit stating that proper application for approval of railroad crossing has been made and a one-time crossing fee paid as provided for in with rule 199—42.3 and that 35 days have passed since mailing of the application and payment with no claim of special circumstance or objection from the railroad, the affidavit will be accepted as a showing of consent for the crossing.

Item 11. Amend paragraph 199 IAC 13.2(1)"f" as follows:

f. *Exhibit F.* This exhibit shall contain the following information:

(1) A statement of the purpose of the project and a description of how the services rendered by the pipeline will promote the public convenience and necessity.

(2) A general statement covering each of the following topics: the nature of the lands, waters, and public or private facilities to be crossed; the possible use of alternative routes; the relationship of the proposed pipeline to present and future land use and zoning ordinances; and the inconvenience or undue injury which may result to property owners as a result of the proposed project.

(3) For an existing pipeline, the year of original construction, and a description of any amendments or significant modifications since the last permit action.

Item 12. Amend subrule 199 IAC 13.14(2) as follows:

(2) Pipeline routes which include crossings of highway or railroad right-of-way at other than an approximate right angle, or longitudinally on the right-of-way, ~~will not be granted a pipeline permit~~ shall not be constructed unless a showing of consent by

the appropriate authority ~~is~~ has been provided by the petitioner as required in paragraph ~~"e" of subrule 13.2(1)"e."~~

Item 13. Amend subrule 199 IAC 15.10(1) by adding a **new** paragraph "h" as follows:

h. Standard for Interconnecting Distributed Resources with Electric Power Systems, ANSI/IEEE 1547-2003.

Item 14. Amend paragraph 199 IAC 19.2(5)"g" as follows:

g. Reports to federal agencies. Copies of reports submitted pursuant to 49 CFR Part 191 as amended through ~~February 1, 2003~~ November 17, 2004, "Transportation of Natural and Other Gas by Pipeline: Annual Reports, Incident Reports, and Safety-Related Condition Reports," shall be filed with the board. Utilities operating in other states ~~besides Iowa~~ shall provide to the board data for Iowa only.

Item 15. Amend subrule 199 IAC 19.5(2) as follows:

(2) *Standards incorporated by reference.*

a. The design, construction, operation, and maintenance of gas systems and liquefied natural gas facilities shall be in accordance with the following standards where applicable:

(1) 49 CFR Part 191, "Transportation of Natural and Other Gas by Pipeline; Annual Reports, Incident Reports, and Safety-Related Condition Reports," as amended through ~~February 1, 2003~~ November 17, 2004.

(2) 49 CFR Part 192, "Transportation of Natural and Other Gas by Pipeline: Minimum Federal Safety Standards," as amended through ~~February 1, 2003~~ November 17, 2004.

(3) 49 CFR Part 193, "Liquefied Natural Gas Facilities: Federal Safety Standards," as amended through ~~February 1, 2003~~ November 17, 2004.

(4) 49 CFR Part 199, "Drug and Alcohol Testing," as amended through ~~February 1, 2003~~ November 17, 2004.

(5) ASME B31.8-~~1999~~ 2003, "Gas Transmission and Distribution Piping Systems."

(6) ANSI/NFPA No. 59-~~2004~~ 2004, "Standard for the Storage and Handling of Liquefied Petroleum Gases at Utility Gas Plants."

(7) At railroad crossings, 199 IAC Section 42.7, "Engineering Standards for Pipelines."

b. The following publications are adopted as standards of accepted good practice for gas utilities:

(1) ANSI Z223.1/NFPA 54-~~1999~~ 2002, "National Fuel Gas Code."

(2) ANSI A225/NFPA 501A-~~2000~~ 2003, "Fire Safety Criteria for Manufactured Home Installations, Sites, and Communities."

~~Item 16. Update subrule 19.6(3) as follows:~~

(3) *Accepted good practice.* The following publications are considered to be representative of accepted good practice in matters of metering and meter testing:

a. American National Standard for Gas Displacement Meters (500 Cubic Feet Per Hour Capacity and Under), ANSI B109.1-2000.

b. American National Standard for Diaphragm Type Gas Displacement Meters (Over 500 Cubic Feet Per Hour Capacity), ANSI B109.2-2000.

c. American National Standard for Rotary Type Gas Displacement Meters, ANSI B109.3-2000.

d. Measurement of Gas Flow by Turbine Meters, ANSI/ASME MFC-4M- ~~1997~~ 1986 (R1997).

e. Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids, ~~ANSI/API 2530-1994~~ API MPMS Chapter 14.3, Parts 1-4.

Item 17. Update subrule 19.8(3) as follows:

(3) *Turning on gas.* Each utility upon the installation of a meter and turning on gas or the act of turning on gas alone shall take the necessary steps to assure itself that there exists no flow of gas through the meter which is a warning that the customer's piping or appliances are not safe for gas ~~turn-on~~ turn-on (Ref: Sec. 4.2 and Appendix D, ANSI Z223.1/NFPA 54- ~~1999~~ 2002).

Item 18. Amend rule 199 IAC 19.8 by adding a **new** subrule 19.8(6) as follows:

(6) *Burial near electric lines.* Each pipeline shall be installed with at least 12 inches of clearance from buried electrical conductors. If this clearance cannot be maintained, protection from damage or introduction of current from an electrical fault shall be provided by other means.

Item 19. Amend subrule 199 IAC 20.1(3) as follows:

(3) *Definitions.* The following words and terms when used in these rules, shall have the meaning indicated below:

“Transmission line” means any single or multiphase electric power line operating at nominal voltages in excess of either ~~26,000~~ 69,000 volts between ungrounded conductors or ~~45,000~~ 40,000 volts between grounded and ungrounded conductors, regardless of the functional service provided by the line.

Item 20. Amend subrule 199 IAC 20.5(2) by adding a **new** paragraph "j" as follows:

j. At railroad crossings, 199 IAC Section 42.6, “Engineering standards for electric and communications lines.”

Item 21. Amend subrule 199 IAC 25.2(2) by adding a **new** paragraph "g" as follows:

g. Lines crossing railroad tracks shall comply with the additional requirements of 199 IAC 42.6, “Engineering standards for electric and communications lines.”

Item 22. Amend paragraph 199 IAC 25.2(5)"b" as follows:

b. “The Lineman’s and Cableman’s Handbook,” ~~Ninth~~ Tenth Edition; Kurtz, Edwin B. and Shoemaker, Thomas M.; New York, McGraw-Hill Book Co., is adopted as a recommended guideline to implement the “National Electrical Safety Code” or “National Electrical Code,” and for developing the inspection and maintenance plans required by 199 IAC 25.3(476,478).

Item 23. Amend subrule 25.3(5) as follows:

(5) Guidelines. Applicable portions of Rural ~~Electrification~~ Utilities Service (RUS) Bulletins ~~464-3~~, 1730-1, 1730B-121, and ~~465-4~~ 1724E-300 and “The Lineman’s and Cableman’s Handbook” are suggested as guidelines for the development and implementation of an inspection plan. ANSI A300 (Part 1)-2001, “Pruning,” and

Section 35 of "The Lineman's and Cableman's Handbook" are suggested as guides for tree trimming practices.

July 30, 2004

/s/ Diane Munns / by Mark Lambert, Board Member
Diane Munns
Chairman